

## OUR INDUSTRIAL SYSTEM.

Half the world is at war, has ceased production, but is still consuming. This requires an increased production by those nations which are still at peace. On this emergency, calling for an increase of production, our industrial system has reacted by curtailing production, by shutting down mills and factories and throwing hundreds of thousands out of work in this and other neutral countries. Why? It is not that the means of bringing the products to the consumer have failed: our railroads are still there, and are not busy, and hundreds of thousands of tons of good ships are rotting in our harbors. The extensions of our railroads, our electric systems, our industries, which were considered before the war, are just as much - and more - needed, and would be just as productive today - but capital can not be found to finance them. The same population inhabits our country, desiring to consume, and willing to pay for <sup>it by</sup> their productive work, but they can not work, because neither the desired production nor the consumption of the products, can be financed.

South America, Africa, Australia have been cut off from European supplies, they need and are a ready market for our products, nothing has changed there, and these countries



are just as much in need of commodities as before the war, and just as able to pay for them by their work, but they can not buy, because their consumption can not be financed, and they can not pay for their needs, because their production can not be financed.

Thus while there are ample facilities for production, while there is an unprecedented demand for the products, and all conditions of prosperity are present, panic and depression reign, because production and consumption enters finance as intermediary, as middle man, without home neither production nor consumption can exist today, and the financial system of the world has collapsed.

It is not the fault of the financiers, for they are just as helpless in this emergency as the producer and the consumer, and the financial district of Wall street has been hit just as hard as any industrial town, but it is the structure of our industrial system, which was a beautiful card house, that came tumbling down at the first shock of an emergency, and we now gather up the pieces.

Is not the final and permanent solution, to eliminate the middle man, to bring production and consumption directly together and make them independent of finance, and have the production controlled, the means of production owned by the consumer, that is, the nation, so that no financial panic can stop production, where the products are needed, can interfere with consumption, where ample productive capacity is available?



Some such reconstruction of our industrial system is inevitable, and the old conditions can never return: the first steps, which the European nations took at the out break of the war, including even old England, the home of capitalism and private enterprise, was to establish governmental control of production and consumption. Now the war is burning up money at the rate of 50 million dollars a day, and every day it continues, makes it more certain that the nations will never be able to pay the war debt, makes it impossible even to pay interest on it, and this inevitably means bankruptcy and repudiation, and industrial reconstruction on a different basis.

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